

REFERENCE TITLE: sports authority district.

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

# HB 2397

Introduced by  
Representative Williams

## AN ACT

AMENDING TITLE 5, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 9; PROVIDING FOR THE CONDITIONAL REPEAL OF TITLE 5, CHAPTER 9, ARIZONA REVISED STATUTES; RELATING TO SPORTS AUTHORITY DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 5, Arizona Revised Statutes, is amended by adding  
3 chapter 9, to read:

4 CHAPTER 9

5 SPORTS AUTHORITY DISTRICT

6 ARTICLE 1. ORGANIZATION

7 5-1101. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "ADVISORY BOARD" MEANS THE ADVISORY BOARD OF THE SPORTS AUTHORITY.

10 2. "AUTHORITY" MEANS A SPORTS AUTHORITY ESTABLISHED PURSUANT TO THIS  
11 CHAPTER.

12 3. "AUTHORITY BOARD" MEANS THE GOVERNING BOARD OF THE SPORTS  
13 AUTHORITY.

14 4. "BOARD OF DIRECTORS" MEANS THE COUNTY BOARD OF SUPERVISORS SERVING  
15 AS THE BOARD OF DIRECTORS OF THE DISTRICT.

16 5. "DISTRICT" MEANS A SPORTS AUTHORITY DISTRICT ESTABLISHED PURSUANT  
17 TO THIS CHAPTER.

18 6. "MULTIPURPOSE FACILITY" MEANS A STADIUM OR A FACILITY FOR YOUTH  
19 SPORTS THAT IS ADAPTED FOR ADDITIONAL ENTERTAINMENT, CULTURAL, CIVIC,  
20 MEETING, TRADESHOW OR CONVENTION EVENTS, ON-SITE INFRASTRUCTURE AND RELATED  
21 PARKING FACILITIES AND COMMERCIAL ACTIVITY WITHIN THE FACILITY.

22 7. "STADIUM" MEANS A FACILITY INTENDED PRIMARILY FOR USE BY ONE OR  
23 MORE MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS, INCLUDING BASEBALL  
24 STADIUMS, CLUBHOUSES, PRACTICE FACILITIES, OTHER RELATED FACILITIES, ON-SITE  
25 INFRASTRUCTURE AND RELATED PARKING FACILITIES AND COMMERCIAL ACTIVITY WITHIN  
26 THE FACILITY.

27 8. "YOUTH SPORTS" MEANS RECREATIONAL AND AMATEUR SPORTING RELATED  
28 ACTIVITIES AND COMPETITIONS ORGANIZED IN THE DISTRICT.

29 5-1102. Formation of district; board of directors; duties

30 A. A SPORTS AUTHORITY DISTRICT IS ESTABLISHED IN EACH COUNTY HAVING A  
31 POPULATION OF MORE THAN FIVE HUNDRED THOUSAND BUT LESS THAN TWO MILLION  
32 PERSONS. THE BOUNDARIES OF THE AUTHORITY ARE THE BOUNDARIES OF THE COUNTY.

33 B. THE COUNTY BOARD OF SUPERVISORS SHALL SERVE AS THE BOARD OF  
34 DIRECTORS OF THE DISTRICT. THE DIRECTORS SHALL NOT RECEIVE COMPENSATION OR  
35 REIMBURSEMENT OF EXPENSES FOR THEIR SERVICES AS THE BOARD OF DIRECTORS.

36 C. THE BOARD OF DIRECTORS SHALL:

37 1. CALL AN ELECTION FOR THE ESTABLISHMENT OF A SPORTS AUTHORITY IN THE  
38 COUNTY AS PROVIDED BY SECTION 5-1103, SUBSECTION A.

39 2. APPOINT CERTAIN MEMBERS OF THE GOVERNING BOARD OF THE SPORTS  
40 AUTHORITY AS PROVIDED BY SECTION 5-1103.

41 3. APPROVE A BUDGET OF THE AUTHORITY PURSUANT TO SECTION 5-1131.

42 4. APPROVE THE ISSUANCE OF REVENUE BONDS OF THE AUTHORITY PURSUANT TO  
43 ARTICLE 3 OF THIS CHAPTER.

44 D. THE DISTRICT IS A CORPORATE AND POLITICAL BODY, SEPARATE AND  
45 INDEPENDENT OF THIS STATE OR THE COUNTY, AND EXCEPT AS OTHERWISE LIMITED,

MODIFIED OR PROVIDED BY THIS CHAPTER, HAS ALL OF THE RIGHTS, POWERS AND IMMUNITIES OF MUNICIPAL CORPORATIONS EXCEPT TO ACQUIRE REAL PROPERTY BY EMINENT DOMAIN. THE BOARD OF DIRECTORS AND THE DISTRICT DO NOT HAVE THE AUTHORITY TO LEVY OR OTHERWISE IMPOSE ANY TAX OR ASSESSMENT, OTHER THAN CHARGES FOR THE USE OF FACILITIES OWNED OR MANAGED BY THE DISTRICT. THE QUALIFIED ELECTORS RESIDING IN THE DISTRICT MAY LEVY A TAX FOR THE FISCAL NEEDS OF THE DISTRICT AS PROVIDED BY THIS CHAPTER, BUT THE BOARD OF DIRECTORS HAS NO INDEPENDENT AUTHORITY TO IMPOSE A TAX. SUBJECT TO THAT LIMITATION, THE DISTRICT IS CONSIDERED TO BE A TAX LEVYING PUBLIC IMPROVEMENT DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7, CONSTITUTION OF ARIZONA.

5-1103. Sports authority; establishment; authority board

A. THE BOARD OF DIRECTORS SHALL CALL AN ELECTION OF THE QUALIFIED ELECTORS OF THE DISTRICT TO AUTHORIZE THE ESTABLISHMENT OF A SPORTS AUTHORITY WITHIN THE BOUNDARIES OF THE DISTRICT. THE ELECTION SHALL BE HELD ON THE EARLIEST OR SECOND EARLIEST CONSOLIDATED ELECTION DATE PRESCRIBED BY SECTION 16-204 OCCURRING AT LEAST NINETY DAYS AFTER THE DISTRICT IS ESTABLISHED.

B. THE ELECTION BALLOT SHALL INCLUDE THE FOLLOWING TWO QUESTIONS:

1. "SHALL THE SPORTS AUTHORITY DISTRICT LEVY AND COLLECT TAXES AS PROVIDED BY SECTIONS 5-1133 THROUGH 5-1137, ARIZONA REVISED STATUTES?"

2. "SHALL THE SPORTS AUTHORITY DISTRICT ISSUE REVENUE BONDS TO FINANCE THE CONSTRUCTION, RENOVATION, EXPANSION OR REPAIR OF CACTUS LEAGUE BASEBALL STADIUMS, YOUTH SPORTS FACILITIES AND MULTIPURPOSE FACILITIES, TO BE PAID EXCLUSIVELY FROM AUTHORIZED TAX REVENUES?"

C. THE BOARD OF DIRECTORS SHALL ORDER THE ESTABLISHMENT OF THE AUTHORITY ON THE APPROVAL OF BOTH QUESTIONS BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON EACH ISSUE IN THE ELECTION. IF EITHER QUESTION IS DISAPPROVED, THE AUTHORITY SHALL NOT BE ESTABLISHED AND FURTHER PROCEEDINGS UNDER THIS CHAPTER SHALL BE TERMINATED.

D. MEMBERS OF THE AUTHORITY BOARD, WHO MUST RESIDE IN THE DISTRICT, SHALL BE APPOINTED WITHIN THIRTY DAYS AFTER THE FORMATION OF THE DISTRICT AS FOLLOWS:

1. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING HOTEL, MOTEL AND LODGING BUSINESSES IN THE DISTRICT.

2. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING RESTAURANT BUSINESSES IN THE DISTRICT.

3. ONE MEMBER WHO IS APPOINTED BY THE GOVERNING BODY OF THE LARGEST CITY IN THE DISTRICT AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING AUTOMOBILE RENTAL BUSINESSES IN THE DISTRICT.

4. ONE MEMBER WHO IS APPOINTED BY THE GOVERNING BODY OF THE LARGEST CITY IN THE DISTRICT AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY

1 THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING TOURISM  
2 BUSINESSES GENERALLY IN THE DISTRICT.

3 5. ONE MEMBER WHO IS APPOINTED PURSUANT TO SUBSECTION G OF THIS  
4 SECTION AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST  
5 INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING TOURISM BUSINESSES  
6 GENERALLY IN THE DISTRICT.

7 6. ONE MEMBER WHO IS APPOINTED BY THE GOVERNOR AND WHO IS SELECTED  
8 FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST CHAMBER OF COMMERCE WITHIN  
9 THE DISTRICT REPRESENTING RETAIL BUSINESSES GENERALLY IN THE DISTRICT.

10 7. ONE MEMBER WITH SUBSTANTIAL KNOWLEDGE AND EXPERIENCE REGARDING  
11 MAJOR LEAGUE BASEBALL WHO IS APPOINTED BY THE BOARD OF DIRECTORS.

12 8. TWO ADDITIONAL MEMBERS WHO ARE APPOINTED BY THE COUNTY BOARD OF  
13 SUPERVISORS, OR BY ANY CITY OR TOWN, THAT CONTRIBUTES AT LEAST TWENTY PER  
14 CENT OF THE COST OF A PROJECT PURSUANT TO SECTION 5-1106, SUBSECTION C IF THE  
15 CONTRIBUTION HAS A VALUE OF AT LEAST FIFTEEN MILLION DOLLARS. MEMBERS SHALL  
16 BE APPOINTED PURSUANT TO THIS PARAGRAPH WITHIN THIRTY DAYS AFTER THE  
17 EXECUTION OF A BINDING AGREEMENT TO MAKE A QUALIFYING CONTRIBUTION.

18 E. THE APPOINTING ENTITIES PRESCRIBED IN SUBSECTION D OF THIS SECTION  
19 SHALL RECEIVE NOMINATIONS FOR APPOINTMENT TO THE AUTHORITY BOARD FROM  
20 SPECIFIED COMMERCIAL INTERESTS, AND SHALL APPOINT THE MEMBERS FROM THE  
21 NOMINEES. THE APPOINTING ENTITIES SHALL MAKE APPOINTMENTS TO THE AUTHORITY  
22 BOARD TO PROVIDE BROAD GEOGRAPHIC REPRESENTATION AMONG THE MEMBERS. NO MORE  
23 THAN THREE MEMBERS MAY RESIDE IN THE SAME CITY OR TOWN OR IN THE  
24 UNINCORPORATED AREAS OF THE COUNTY. THE INITIAL MEMBERS SHALL BE APPOINTED  
25 TO TERMS OF TWO, THREE AND FOUR YEARS, CHOSEN BY LOT. ALL SUBSEQUENT MEMBERS  
26 SHALL BE APPOINTED TO TERMS OF FOUR YEARS, EXCEPT FOR INTERIM APPOINTMENTS TO  
27 FILL UNEXPIRED TERMS. A MEMBER OF THE BOARD MAY BE REMOVED ON A TWO-THIRDS  
28 VOTE OF ALL MEMBERS. THE REMOVAL IS EFFECTIVE IMMEDIATELY.

29 F. A MEMBER OF THE AUTHORITY BOARD SHALL NOT HOLD ANY ELECTED OFFICE  
30 WHILE SERVING ON THE BOARD. AN AUTHORITY BOARD MEMBER WHO TAKES ELECTIVE  
31 OFFICE OR FILES NOMINATING PETITIONS FOR ELECTIVE OFFICE IS CONSIDERED TO  
32 HAVE RESIGNED FROM THE AUTHORITY BOARD EFFECTIVE IMMEDIATELY.

33 G. THE APPOINTMENT OF THE AUTHORITY BOARD MEMBER PURSUANT TO  
34 SUBSECTION D, PARAGRAPH 5 OF THIS SECTION SHALL BE DETERMINED AS FOLLOWS:

35 1. THE FIRST APPOINTMENT SHALL BE MADE BY THE GOVERNING BODY OF THE  
36 SECOND LARGEST CITY IN THE DISTRICT.

37 2. THE SECOND APPOINTMENT SHALL BE MADE BY THE GOVERNING BODY OF THE  
38 THIRD LARGEST CITY IN THE DISTRICT.

39 3. EACH SUBSEQUENT APPOINTMENT SHALL BE MADE BY THE GOVERNING BODIES  
40 OF THE NEXT LARGEST CITIES IN THE DISTRICT IN ORDER OF POPULATION, UNTIL  
41 GOVERNING BODIES OF ALL CITIES IN THE DISTRICT HAVE MADE AN APPOINTMENT.

42 4. SUBSEQUENT APPOINTMENTS SHALL REPEAT THE SEQUENCE OF APPOINTMENTS  
43 PROVIDED IN PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION.

1           5. FOR THE PURPOSES OF THIS SUBSECTION, THE POPULATION OF CITIES AND  
2 TOWNS IN THE DISTRICT SHALL BE BASED ON THE POPULATION AT THE TIME OF EACH  
3 APPOINTMENT MADE BY THE SECOND LARGEST CITY IN THE DISTRICT.

4           H. IF THERE IS A VACANCY OF A MEMBER OF THE AUTHORITY BOARD APPOINTED  
5 PURSUANT TO SUBSECTION D, PARAGRAPH 5 OF THIS SECTION, THE GOVERNING BODY  
6 THAT APPOINTED THE VACATING MEMBER SHALL APPOINT A REPLACEMENT FOR THE  
7 REMAINDER OF THE UNEXPIRED TERM.

8           5-1104. Sports authority plan; authority board powers and  
9 duties; advisory board

10          A. THE AUTHORITY BOARD SHALL SUBMIT A PLAN FOR THE OPERATION OF THE  
11 SPORTS AUTHORITY, INCLUDING PROPOSALS FOR THE CONSTRUCTION, RENOVATION,  
12 EXPANSION OR REPAIR OF STADIUMS, MULTIPURPOSE FACILITIES AND YOUTH SPORTS  
13 FACILITIES AS PROVIDED IN THIS CHAPTER. THE PLAN SHALL:

14           1. BE DEVELOPED AND SUBMITTED TO THE BOARD OF DIRECTORS WITHIN NINETY  
15 DAYS AFTER THE APPOINTMENT OF THE SPORTS AUTHORITY BOARD.

16           2. BE FINALIZED FOLLOWING PUBLIC HEARINGS AND MEETINGS HELD THROUGHOUT  
17 THE DISTRICT.

18           3. SPECIFY THE GENERAL PURPOSES FOR WHICH THE MONIES OF THE AUTHORITY,  
19 INCLUDING TAX REVENUES PURSUANT TO SECTIONS 5-1133 THROUGH 5-1137, WILL BE  
20 SPENT DURING THE FIRST TWENTY YEARS OF THE AUTHORITY'S OPERATIONS.

21          B. IN ADDITION, THE AUTHORITY BOARD, ON BEHALF OF THE SPORTS  
22 AUTHORITY, SHALL:

23           1. PROMOTE MAJOR LEAGUE BASEBALL SPRING TRAINING IN THE DISTRICT.

24           2. ACQUIRE, CONSTRUCT, LEASE, FINANCE, LEASE-PURCHASE OR OTHERWISE  
25 OBTAIN USE OF FACILITIES FOR MAJOR LEAGUE BASEBALL SPRING TRAINING AND  
26 RELATED ACTIVITIES.

27           3. PROVIDE GRANTS AND ASSISTANCE TO POLITICAL SUBDIVISIONS OF THIS  
28 STATE AND TO NONPROFIT CORPORATIONS FOR THE DEVELOPMENT AND OPERATIONS OF  
29 SPORTING ACTIVITIES.

30           4. ADOPT AN ANNUAL BUDGET AS PROVIDED BY SECTION 5-1131 AND SUBMIT THE  
31 BUDGET TO THE BOARD OF DIRECTORS FOR APPROVAL.

32           5. APPROVE CAPITAL PROJECTS THAT ARE PROVIDED BY THE BUDGET.

33           6. APPROVE THE ISSUANCE OF REVENUE BONDS PURSUANT TO ARTICLE 3 OF THIS  
34 CHAPTER AND SUBMIT THE BOND ISSUE TO THE BOARD OF DIRECTORS FOR APPROVAL.

35           7. APPOINT FROM AMONG ITS MEMBERS A CHAIRPERSON, A SECRETARY AND SUCH  
36 OTHER OFFICERS AS MAY BE NECESSARY TO CONDUCT ITS BUSINESS.

37           8. EMPLOY AN EXECUTIVE DIRECTOR AND PRESCRIBE THE TERMS AND CONDITIONS  
38 OF EMPLOYMENT.

39           9. KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL OF ITS  
40 PROCEEDINGS. THE BOARD IS A PUBLIC BODY FOR PURPOSES OF TITLE 38, CHAPTER 3,  
41 ARTICLE 3.1 AND TITLE 39, CHAPTER 1.

42           10. PROVIDE FOR THE USE, MAINTENANCE AND OPERATION OF THE PROPERTIES  
43 AND INTERESTS OWNED OR MANAGED BY THE AUTHORITY.

1 C. THE AUTHORITY BOARD MAY:

2 1. ENTER INTO CONTRACTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS UNDER  
3 TITLE 11, CHAPTER 7, ARTICLE 3, AS NECESSARY TO CARRY OUT THE PURPOSES AND  
4 REQUIREMENTS OF THIS CHAPTER.

5 2. ADOPT ADMINISTRATIVE RULES AS NECESSARY TO ADMINISTER AND OPERATE  
6 THE AUTHORITY AND ANY PROPERTY UNDER ITS JURISDICTION.

7 3. ACQUIRE BY ANY LAWFUL MEANS, OTHER THAN EMINENT DOMAIN, AND  
8 OPERATE, MAINTAIN, ENCUMBER AND DISPOSE OF REAL AND PERSONAL PROPERTY AND  
9 INTERESTS IN PROPERTY.

10 4. RETAIN LEGAL COUNSEL AND OTHER CONSULTANTS AS NECESSARY TO CARRY  
11 OUT THE PURPOSES OF THE AUTHORITY.

12 5. ENTER INTO CONTRACTS FOR THE LEASE OR RENTAL OF ANY DISTRICT  
13 FACILITY OR FACILITIES WITH A NONPROFIT COMMUNITY BASED ORGANIZATION THAT  
14 SPONSORS A PROFESSIONAL OR YOUTH SPORTING EVENT THAT PROVIDE FOR THE PAYMENT  
15 TO THE ORGANIZATION OF A TICKET SURCHARGE OR FACILITY USER FEE ASSOCIATED  
16 WITH PARKING IF THE AUTHORITY HAS FULLY PAID THE CURRENT YEAR'S REQUIRED  
17 PRINCIPAL AND INTEREST PAYMENTS ON ANY OUTSTANDING AUTHORITY BONDS FOR WHICH  
18 THESE REVENUES WERE PLEDGED PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

19 D. THE AUTHORITY BOARD SHALL APPOINT AN ADVISORY BOARD CONSISTING OF  
20 MEMBERS REPRESENTING A BROAD SPECTRUM OF INTERESTED PARTIES FOR THE PURPOSE  
21 OF ADVISING THE AUTHORITY IN ITS ACTIVITIES TO FULLY PERFORM AND ACCOMPLISH  
22 ITS PURPOSES.

23 5-1105. Executive director; duties

24 A. THE EXECUTIVE DIRECTOR OF THE AUTHORITY IS RESPONSIBLE TO THE  
25 AUTHORITY BOARD FOR MANAGING, ADMINISTERING AND SUPERVISING THE ACTIVITIES OF  
26 THE AUTHORITY.

27 B. THE EXECUTIVE DIRECTOR SHALL NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE  
28 AND PERFORM CONTRACTS AND OTHER AGREEMENTS IN THE INTEREST OF THE AUTHORITY  
29 OR TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS CHAPTER, INCLUDING  
30 CONSTRUCTION CONTRACTS AND AGREEMENTS WITH USERS OF A MULTIPURPOSE FACILITY,  
31 ALL OF WHICH ARE SUBJECT TO APPROVAL BY THE BOARD.

32 C. THE EXECUTIVE DIRECTOR SHALL:

33 1. EMPLOY A FISCAL AGENT TO DEPOSIT, HOLD, INVEST AND DISBURSE THE  
34 AUTHORITY'S MONIES.

35 2. EMPLOY ADMINISTRATIVE AND CLERICAL EMPLOYEES AND PRESCRIBE THE  
36 TERMS AND CONDITIONS OF THEIR EMPLOYMENT AS NECESSARY TO CARRY OUT THE  
37 PURPOSES OF THE AUTHORITY. EMPLOYEES OF THE AUTHORITY ARE CONSIDERED TO BE  
38 PUBLIC EMPLOYEES FOR PURPOSES OF TITLE 38.

39 3. RECOMMEND THE EMPLOYMENT OF CONSULTANTS BY THE BOARD, INCLUDING  
40 OUTSIDE COUNSEL AND A PROFESSIONAL FACILITY MANAGEMENT COMPANY.

41 4. DIRECT THE ACTIVITIES OF OUTSIDE CONSULTANTS.

42 5-1106. Major league baseball spring training facilities; local  
43 financial participation

44 A. THE AUTHORITY MAY:

1           1. ACQUIRE LAND OR CONSTRUCT, FINANCE, FURNISH, IMPROVE, MARKET OR  
2 PROMOTE THE USE OF EXISTING OR PROPOSED MAJOR LEAGUE BASEBALL SPRING TRAINING  
3 FACILITIES THAT ARE LOCATED IN THE AUTHORITY AND OTHER STRUCTURES, UTILITIES,  
4 ROADS, PARKING AREAS OR BUILDINGS NECESSARY FOR FULL USE OF THE TRAINING  
5 FACILITIES FOR SPORTS AND OTHER PURPOSES.

6           2. DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH THE PURPOSES  
7 PRESCRIBED IN THIS SUBSECTION.

8           B. EXCEPT AS PROVIDED BY SECTION 5-1139, MONIES OF THE AUTHORITY MAY  
9 BE USED FOR THE PURPOSES OF:

10          1. ATTRACTING MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS TO  
11 LOCATIONS IN THE AUTHORITY.

12          2. RETAINING MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS IN THEIR  
13 CURRENT LOCATIONS IN THE AUTHORITY.

14          C. THE AUTHORITY BOARD MAY REQUIRE THAT ANY PROJECT UNDERTAKEN  
15 PURSUANT TO THIS SECTION INCLUDE FINANCIAL PARTICIPATION FROM THE COUNTY OR  
16 MUNICIPALITY IN WHICH THE PROJECT IS LOCATED, FROM A PRIVATE PARTY OR FROM  
17 ANY COMBINATION OF THESE ENTITIES. CAPITAL IMPROVEMENT MONIES SPENT BY A  
18 COUNTY, MUNICIPALITY OR PRIVATE PARTY FOR A PURPOSE AUTHORIZED BY THIS  
19 SECTION MAY BE CONSIDERED TO BE FINANCIAL PARTICIPATION WITH RESPECT TO ANY  
20 PROJECT THE AUTHORITY MAY UNDERTAKE IF THE EXPENDITURES OCCUR AFTER THE  
21 DISTRICT IS ESTABLISHED.

22          D. FOR PURPOSES OF FINANCING, DESIGNING OR CONSTRUCTING FACILITIES OR  
23 STRUCTURES, THE AUTHORITY IS NOT THE AGENT OF ANY OTHER PARTY PARTICIPATING  
24 IN THE FUNDING OF THE FACILITY OR STRUCTURE.

25          E. BEFORE UNDERTAKING THE PLANNING OR CONSTRUCTION OF THE FIRST NEW  
26 FACILITY UNDER THIS SECTION, THE AUTHORITY BOARD MAY CONSIDER THE COSTS OF  
27 ANTICIPATED REQUIRED RENOVATIONS OF EXISTING FACILITIES AND SHALL CONSIDER  
28 SUCH COSTS FOR SUBSEQUENT NEW FACILITIES.

29          5-1107. Youth sports and recreation: local financial  
30 participation

31          A. EXCEPT AS PROVIDED BY SECTION 5-1139, THE AUTHORITY SHALL SPEND AT  
32 LEAST TEN PER CENT OF ITS GENERAL REVENUES FOR THE PURPOSE OF PROMOTING YOUTH  
33 SPORTS AND RECREATION AND MAY:

34          1. ACQUIRE LAND OR CONSTRUCT, FINANCE, FURNISH, MAINTAIN, IMPROVE,  
35 OPERATE, MARKET OR PROMOTE THE USE OF YOUTH SPORTS FACILITIES, RECREATIONAL  
36 FACILITIES AND OTHER COMMUNITY FACILITIES OR PROGRAMS THAT ARE LOCATED IN THE  
37 AUTHORITY.

38          2. DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH THE PURPOSES  
39 PRESCRIBED IN THIS SUBSECTION.

40          B. THE AUTHORITY BOARD MAY REQUIRE THAT ANY PROJECT UNDERTAKEN  
41 PURSUANT TO THIS SECTION INCLUDE FINANCIAL PARTICIPATION FROM THE COUNTY,  
42 MUNICIPALITY OR SCHOOL DISTRICT IN WHICH THE PROJECT IS LOCATED, FROM ANY  
43 OTHER PARTY OR FROM ANY COMBINATION OF THESE ENTITIES. CAPITAL IMPROVEMENT  
44 MONIES SPENT BY A COUNTY, MUNICIPALITY, SCHOOL DISTRICT OR OTHER PARTY FOR A

1 PURPOSE AUTHORIZED BY THIS SECTION MAY BE CONSIDERED TO BE FINANCIAL  
2 PARTICIPATION WITH RESPECT TO ANY PROJECT THE AUTHORITY MAY UNDERTAKE.

3 C. FOR THE PURPOSES OF FINANCING, DESIGNING, CONSTRUCTING OR OPERATING  
4 FACILITIES OR STRUCTURES, THE AUTHORITY IS NOT THE AGENT OF ANY OTHER PARTY  
5 PARTICIPATING IN THE FUNDING OF THE FACILITY OR STRUCTURE.

6 D. FOR THE PURPOSES OF SUBSECTION A OF THIS SECTION, THE AMOUNT SPENT  
7 SHALL BE MEASURED AT THE END OF EVERY TENTH FISCAL YEAR FOLLOWING THE  
8 ESTABLISHMENT OF THE DISTRICT FOR THE ENTIRE PERIOD SINCE THE FORMATION OF  
9 THE DISTRICT, EXCEPT THAT THE REQUIREMENT SHALL NOT INTERFERE WITH, DELAY OR  
10 IMPEDE THE PAYMENT OF ANY AMOUNTS DUE AND PAYABLE ON ANY OUTSTANDING  
11 OBLIGATION OF THE DISTRICT.

12 5-1108. Gift ban; exemptions

13 A. A PRINCIPAL OR LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A  
14 PRINCIPAL OR LOBBYIST SHALL NOT GIVE A GIFT TO ANY MEMBER OF THE DISTRICT  
15 BOARD OR ANY MEMBER OR EMPLOYEE OF THE AUTHORITY BOARD, AND AN AUTHORITY  
16 BOARD MEMBER OR EMPLOYEE SHALL NOT ACCEPT A GIFT FROM A PRINCIPAL OR  
17 LOBBYIST.

18 B. FOR THE PURPOSES OF THIS SECTION, A GIFT DOES NOT INCLUDE ANY OF  
19 THE FOLLOWING:

20 1. SALARY, COMPENSATION OR EMPLOYER REIMBURSED EXPENSES LAWFULLY PAID  
21 TO A BOARD MEMBER OR EMPLOYEE.

22 2. A FAMILY GIFT.

23 3. AN AWARD OR PRIZE THAT IS GIVEN TO COMPETITORS IN A CONTEST OR  
24 EVENT THAT IS OPEN TO THE PUBLIC, INCLUDING A RANDOM DRAWING.

25 4. ANY DISCOUNT OR OTHER BENEFIT THAT IS OFFERED TO A BOARD MEMBER OR  
26 EMPLOYEE ON THE SAME CONDITIONS AS TO THE PUBLIC, TO A CLASS CONSISTING OF  
27 ALL BOARD MEMBERS AND EMPLOYEES OR TO A GROUP OR CLASS IN WHICH MEMBERSHIP IS  
28 UNRELATED TO BEING A BOARD MEMBER OR EMPLOYEE.

29 5. AN EDUCATIONAL EVENT OR SPEAKING ENGAGEMENT.

30 6. EXPENSES RELATING TO A SPECIAL EVENT OR FUNCTION TO WHICH ALL  
31 MEMBERS OF THE BOARD ARE INVITED AND THAT ARE PROPERLY REPORTED.

32 7. FLOWERS.

33 8. FOOD AND BEVERAGE.

34 9. INFORMATIONAL MATERIAL, INCLUDING A BOOK, CALENDAR, PAMPHLET,  
35 PERIODICAL, REPORT OR VIDEO.

36 10. AN ITEM THAT IS NOT USED AND THAT IS RETURNED TO THE DONOR WITHIN  
37 FIFTEEN DAYS AFTER RECEIPT OR THAT IS DELIVERED TO A CHARITABLE ORGANIZATION  
38 WITHIN FIFTEEN DAYS AFTER RECEIPT AND THAT IS NOT CLAIMED AS A CHARITABLE  
39 CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX PURPOSES.

40 11. AN ITEM THAT IS GIVEN TO A BOARD MEMBER OR EMPLOYEE IF THE BOARD  
41 MEMBER OR EMPLOYEE GIVES AN ITEM OF APPROXIMATELY THE SAME VALUE TO THE GIVER  
42 OF THE ITEM AT THE SAME TIME THAT THE ITEM IS GIVEN OR ON A SIMILAR OCCASION  
43 AS THE ONE THAT PROMPTED THE ORIGINAL ITEM TO BE GIVEN.



1 12. AN ITEM OF A PERSONAL NATURE THAT WAS CUSTOMARILY RECEIVED BY AN  
2 INDIVIDUAL FROM THE DONOR BEFORE THE INDIVIDUAL BECAME A BOARD MEMBER OR  
3 EMPLOYEE.

4 13. AN ITEM THAT IS GIVEN TO THE GENERAL PUBLIC AT AN EVENT.

5 14. AN ITEM OF NOMINAL VALUE SUCH AS A GREETING CARD, BASEBALL CAP,  
6 T-SHIRT, MUG OR PEN.

7 15. NONRECREATIONAL TRAVEL OR LODGING, OR BOTH.

8 16. PERSONAL HOSPITALITY.

9 17. A PLAQUE, AWARD OR OTHER FORM OF RECOGNITION TO A BOARD MEMBER OR  
10 EMPLOYEE TO SIGNIFY THE HONORARY RECOGNITION OF A SERVICE OR OTHER NOTABLE  
11 ACCOMPLISHMENT.

12 18. PROFESSIONAL OR CONSULTING SERVICES THAT ARE RENDERED ON MATTERS  
13 DIRECTLY RELATED TO HOLDING A POSITION ON THE BOARD OR BEING AN EMPLOYEE OF  
14 THE BOARD AND THAT ARE NOT RENDERED TO OBTAIN A BENEFIT FOR ANY REGISTERED  
15 PRINCIPAL, PUBLIC BODY, LOBBYIST, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED  
16 PUBLIC LOBBYIST OR THE CLIENTS OF A PRINCIPAL OR LOBBYIST.

17 5-1109. Regulating sale, use and consumption of alcoholic  
18 beverages

19 SUBJECT TO THE REQUIREMENTS OF TITLE 4, THE AUTHORITY BOARD MAY PERMIT  
20 AND REGULATE THE SALE, USE AND CONSUMPTION OF ALCOHOLIC BEVERAGES AT EVENTS  
21 HELD ON PROPERTY ACQUIRED, LEASED OR SUBLEASED UNDER THIS CHAPTER.

22 5-1110. Conflicts of interest

23 A. THE MEMBERS OF THE AUTHORITY BOARD ARE SUBJECT TO TITLE 38, CHAPTER  
24 3, ARTICLE 8, RELATING TO CONFLICTS OF INTEREST, INCLUDING THE PENALTIES  
25 PRESCRIBED BY SECTION 38-510.

26 B. A MEMBER OF THE BOARD OF DIRECTORS SHALL NOT HAVE ANY DIRECT OR  
27 INDIRECT FINANCIAL INTEREST IN ANY:

28 1. PROPERTY OWNED, PURCHASED OR CONSTRUCTED BY THE DISTRICT.

29 2. CONTRACT ENTERED INTO BY THE DISTRICT.

30 3. PRIVATE CORPORATION OR OTHER ENTITY WITH WHICH THE DISTRICT  
31 CONTRACTS.

32 5-1111. Performance audits

33 A. BEGINNING IN 2011 AND AT LEAST EVERY FIFTH YEAR THEREAFTER, THE  
34 AUDITOR GENERAL SHALL CONDUCT A PERFORMANCE AUDIT, AS DEFINED IN SECTION  
35 41-1278, OF THE AUTHORITY.

36 B. ON OR BEFORE JUNE 30 OF THE RESPECTIVE YEAR, THE AUDITOR GENERAL  
37 SHALL ISSUE A PUBLIC REPORT OF THE PERFORMANCE AUDIT, INCLUDING FINDINGS AND  
38 SPECIFIC RECOMMENDATIONS FOR STATUTORY AND ADMINISTRATIVE CHANGES TO IMPROVE  
39 THE OPERATION OF THE AUTHORITY. THE AUDITOR GENERAL SHALL SUBMIT COPIES OF  
40 THE REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE  
41 HOUSE OF REPRESENTATIVES, THE SECRETARY OF STATE AND THE ARIZONA STATE  
42 LIBRARY, ARCHIVES AND PUBLIC RECORDS.

5-1112. Quarterly report: appearance before joint legislative budget committee

A. WITHIN SIX WEEKS AFTER THE END OF EACH CALENDAR QUARTER THE AUTHORITY SHALL PREPARE A REPORT SIGNED BY THE EXECUTIVE DIRECTOR AND TRANSMIT THE REPORT TO THE GOVERNOR, THE LEGISLATURE, AS PROVIDED BY SECTION 41-1178, AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE REPORT SHALL INCLUDE A PROGRESS REPORT OF THE ACTIVITIES OF THE AUTHORITY DURING THE PREVIOUS QUARTER.

B. AT THE REQUEST OF THE CHAIRPERSON OF THE JOINT LEGISLATIVE BUDGET COMMITTEE, THE EXECUTIVE DIRECTOR SHALL APPEAR BEFORE THE JOINT LEGISLATIVE BUDGET COMMITTEE TO REPORT ON THE ACTIVITIES AND FINANCIAL PERFORMANCE OF THE AUTHORITY DURING THE PREVIOUS YEAR.

ARTICLE 2. FINANCIAL PROVISIONS

5-1131. Annual budget

A. ON OR BEFORE MAY 31 OF EACH YEAR, THE AUTHORITY BOARD SHALL HOLD A PUBLIC HEARING TO ADOPT A BUDGET FOR THE FOLLOWING FISCAL YEAR THAT INCLUDES:

1. RECEIPTS DURING THE PRECEDING FISCAL YEAR.
2. EXPENDITURES DURING THE PRECEDING FISCAL YEAR.
3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR:

(a) COSTS OF PLANNING, CONSTRUCTING, FINANCING AND MAINTAINING THE AUTHORITY'S FACILITIES.

(b) ADMINISTRATIVE COSTS OF THE AUTHORITY.

4. ANTICIPATED REVENUE TO THE AUTHORITY FROM EACH SOURCE IN THE FOLLOWING FISCAL YEAR.

5. A COMPLETE ASSET AND LIABILITY STATEMENT.

6. A STATEMENT OF PROFIT OR LOSS.

7. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

8. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED OBLIGATIONS FOR THE FOLLOWING FISCAL YEAR.

B. THE AUTHORITY BOARD:

1. SHALL TRANSMIT A COPY OF THE BUDGET TO THE DISTRICT BOARD OF DIRECTORS.

2. MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

5-1132. General fund; investments

A. THE AUTHORITY SHALL MAINTAIN A GENERAL FUND AND MAY ESTABLISH ACCOUNTS AND SUBACCOUNTS WITHIN THE GENERAL FUND AS NECESSARY AND CONVENIENT. ALL REVENUES AND MONIES RECEIVED BY THE AUTHORITY SHALL INITIALLY BE DEPOSITED IN THE GENERAL FUND.

B. THE AUTHORITY MAY INVEST ANY UNEXPENDED MONIES IN THE FUND AS PROVIDED IN TITLE 35, CHAPTER 2. INTEREST AND OTHER INCOME FROM INVESTMENTS OF MONIES IN ANY ACCOUNT SHALL BE CREDITED TO THAT ACCOUNT EXCEPT AS OTHERWISE PROVIDED BY LAW.

1 C. THE AUTHORITY'S INVESTMENTS MUST MATURE WHEN THE FUND ASSETS WILL  
2 BE REQUIRED FOR THE PURPOSES OF THIS CHAPTER. IF THE LIQUID ASSETS IN THE  
3 FUND OR ANY ACCOUNT OR SUBACCOUNT BECOME INSUFFICIENT TO MEET THE STATUTORY  
4 OBLIGATIONS, THE AUTHORITY BOARD SHALL DIRECT THE AUTHORITY'S FISCAL AGENT TO  
5 LIQUIDATE SUFFICIENT SECURITIES TO MEET ALL OF THE CURRENT OBLIGATIONS AND  
6 IMMEDIATELY NOTIFY THE DISTRICT BOARD OF DIRECTORS AND THE AUDITOR GENERAL OF  
7 THE INSUFFICIENCY. THE AUDITOR GENERAL SHALL INVESTIGATE AND AUDIT THE  
8 CIRCUMSTANCES SURROUNDING THE DEPLETION OF THE FUND, ACCOUNT OR SUBACCOUNT  
9 AND REPORT THE FINDINGS TO THE AUTHORITY BOARD AND THE BOARD OF DIRECTORS.

10 5-1133. Excise tax on car rentals

11 A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD  
12 PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF  
13 REVENUE SHALL COLLECT AN EXCISE TAX ON THE GROSS PROCEEDS OF SALES OR GROSS  
14 INCOME FROM THE BUSINESS OF CAR RENTAL IN THE AUTHORITY, BEGINNING ON THE  
15 FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION. THE  
16 TAX SHALL BE IN EFFECT FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY  
17 SECTION 5-1139. THE TAX IMPOSED PURSUANT TO THIS SECTION IS IN ADDITION TO  
18 ANY OTHER TAXES LEVIED BY THIS STATE OR ANY OTHER POLITICAL SUBDIVISION OF  
19 THIS STATE.

20 B. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .35  
21 PER CENT OF THE GROSS PROCEEDS OR GROSS INCOME FROM THE BUSINESS.

22 C. THE TAX APPLIES TO THE BUSINESS OF LEASING OR RENTING, FOR LESS  
23 THAN ONE YEAR, MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER THAT ARE DESIGNED TO  
24 OPERATE ON THE STREETS AND HIGHWAYS OF THIS STATE AND THAT ARE PRIMARILY  
25 INTENDED TO CARRY NOT MORE THAN FOURTEEN PASSENGERS, REGARDLESS OF WHETHER  
26 THE VEHICLE IS REGISTERED OR LICENSED IN THIS STATE.

27 D. THE TAX DOES NOT APPLY TO THE LEASE OR RENTAL OF:

28 1. A MOTOR VEHICLE AS A TEMPORARY REPLACEMENT VEHICLE THAT IS LOANED  
29 AT NO CHARGE BY A REPAIR FACILITY OR DEALER FOR USE WHILE THE VEHICLE THAT IT  
30 IS REPLACING IS NOT IN SERVICE BECAUSE OF BREAKDOWN, REPAIR, SERVICE, DAMAGE  
31 OR LOSS.

32 2. A MOTOR VEHICLE TO AN AUTOMOBILE DEALERSHIP, A REPAIR FACILITY, AN  
33 INSURANCE COMPANY OR ANY OTHER PERSON THAT PROVIDES THAT VEHICLE AT NO CHARGE  
34 TO A PERSON WHOSE OWN MOTOR VEHICLE IS BEING REPAIRED, ADJUSTED OR SERVICED.

35 E. THE TAX IS NOT TAXABLE UNDER SECTION 42-5071.

36 F. THE DEPARTMENT OF REVENUE SHALL REQUIRE A REPORT OF THE NUMBER OF  
37 LEASE OR RENTAL TRANSACTIONS AND SHALL TRANSMIT THAT NUMBER TO THE STATE  
38 TREASURER.

39 5-1134. Excise tax on hotels and motels

40 A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD  
41 PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF  
42 REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME  
43 FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED  
44 UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5070 WITHIN THE  
45 AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY

1 TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN  
2 THE AUTHORITY.

3 B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON  
4 THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION,  
5 AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS  
6 PROVIDED BY SECTION 5-1139.

7 C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .45  
8 PER CENT OF THE GROSS PROCEEDS OR GROSS INCOME FROM THE BUSINESS.

9 5-1135. Tax on restaurants and bars

10 A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD  
11 PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF  
12 REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME  
13 FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED  
14 UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5074 IN THE  
15 AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY  
16 TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN  
17 THE AUTHORITY.

18 B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON  
19 THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION,  
20 AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS  
21 PROVIDED BY SECTION 5-1139.

22 C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .25  
23 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5074.

24 5-1136. Tax on amusements and sporting events

25 A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD  
26 PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF  
27 REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME  
28 FROM PERSONS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION  
29 42-5073 IN THE AUTHORITY.

30 B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON  
31 THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION,  
32 AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS  
33 PROVIDED BY SECTION 5-1139.

34 C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS:

35 1. .35 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5073 FOR  
36 PERSONS CHARGING ADMISSION TO PROFESSIONAL SPORTING EVENTS AT FACILITIES  
37 OWNED OR FINANCED BY THE AUTHORITY.

38 2. .375 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5073 FOR ALL  
39 OTHER PERSONS SUBJECT TO TAX UNDER THIS SECTION.

40 5-1137. Tax on retail

41 A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD  
42 PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF  
43 REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME  
44 FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED  
45 UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5061 IN THE

1 AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY  
2 TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN  
3 THE AUTHORITY.

4 B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON  
5 THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION,  
6 AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS  
7 PROVIDED BY SECTION 5-1139.

8 C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .15  
9 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5061.

10 5-1138. Administration of tax

11 A. UNLESS THE CONTEXT OTHERWISE REQUIRES, SECTION 42-6102 GOVERNS THE  
12 ADMINISTRATION OF THE TAXES IMPOSED UNDER THIS ARTICLE.

13 B. EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET REVENUES  
14 COLLECTED PURSUANT TO THIS ARTICLE TO THE AUTHORITY FOR DEPOSIT IN THE  
15 GENERAL FUND.

16 5-1139. Conditional reduction of district taxes

17 A. IF, SEVENTY-TWO MONTHS AFTER THE DISTRICT IS ESTABLISHED, AT LEAST  
18 TWO MAJOR LEAGUE BASEBALL FRANCHISES HAVE NOT EXECUTED BINDING CONTRACTUAL  
19 AGREEMENTS FOR USE OF STADIUMS AND OTHER FACILITIES IN THE DISTRICT AS THEIR  
20 EXCLUSIVE SITES FOR SPRING TRAINING OPERATIONS FOR TERMS OF AT LEAST TEN  
21 YEARS, THE RESPECTIVE TAX RATES PRESCRIBED BY SECTIONS 5-1133 THROUGH 5-1137  
22 ARE REDUCED BY FIFTY PER CENT, AND THE DISTRICT SHALL USE ALL REVENUES  
23 PRODUCED BY THE REDUCED RATES EXCLUSIVELY FOR THE PROMOTION OF YOUTH AND  
24 AMATEUR SPORTS AS PROVIDED BY SECTION 5-1107.

25 B. IF, AT ANY SUBSEQUENT TIME, AT LEAST TWO MAJOR LEAGUE BASEBALL  
26 FRANCHISES EXECUTE BINDING CONTRACTUAL AGREEMENTS FOR USE OF STADIUMS AND  
27 OTHER FACILITIES IN THE DISTRICT AS THEIR EXCLUSIVE SITES FOR SPRING TRAINING  
28 OPERATIONS FOR TERMS OF AT LEAST TEN YEARS, ON THE FIRST DAY OF THE FIRST  
29 MONTH BEGINNING NINETY DAYS AFTER THE SECOND CONTRACT IS ENTERED INTO THE  
30 RESPECTIVE TAX RATES PRESCRIBED BY SECTIONS 5-1133 THROUGH 5-1137 SHALL BE  
31 REINSTATED AT THE FULL AMOUNTS, AND THE DISTRICT SHALL USE THE REVENUES AS  
32 PROVIDED BY LAW WITHOUT CONDITION.

33 5-1140. Annual audit

34 A. THE BOARD OF DIRECTORS OF THE DISTRICT SHALL CAUSE AN ANNUAL AUDIT  
35 TO BE CONDUCTED OF EACH OF THE AUTHORITY'S FUNDS, ACCOUNTS AND SUBACCOUNTS BY  
36 AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WITHIN ONE HUNDRED TWENTY DAYS  
37 AFTER THE END OF THE FISCAL YEAR.

38 B. THE BOARD SHALL IMMEDIATELY FILE A CERTIFIED COPY OF THE AUDIT WITH  
39 THE AUDITOR GENERAL. THE AUDITOR GENERAL MAY MAKE SUCH FURTHER AUDITS AND  
40 EXAMINATIONS AS NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE  
41 AUDIT OR EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE  
42 AUDITOR GENERAL TAKES NO FURTHER ACTION WITHIN THIRTY DAYS AFTER THE AUDIT IS  
43 FILED, THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

1 C. THE AUTHORITY BOARD SHALL PAY NEGOTIATED AND APPROVED FEES AND  
2 COSTS OF THE CERTIFIED PUBLIC ACCOUNTANT AND AUDITOR GENERAL UNDER THIS  
3 SECTION FROM THE AUTHORITY'S GENERAL FUND.

4 ARTICLE 3. REVENUE BONDS

5 5-1161. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "BOND" MEANS ANY OBLIGATION AUTHORIZED AND ISSUED PURSUANT TO THIS  
8 ARTICLE, INCLUDING:

9 (a) BONDS.

10 (b) CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE OR INSTALLMENT  
11 PURCHASE AGREEMENT.

12 (c) OBLIGATIONS THAT ARE AUTHORIZED AND ISSUED TO REFUND OR REFINANCE  
13 OBLIGATIONS THAT ARE AUTHORIZED AND ISSUED PURSUANT TO THIS ARTICLE.

14 2. "BOND RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE  
15 AUTHORITY FOR ISSUING AND ADMINISTERING ITS BONDS, INCLUDING UNDERWRITING  
16 FEES AND COSTS, TRUSTEE FEES, FINANCIAL CONSULTANT FEES, PRINTING AND  
17 ADVERTISING COSTS, PAYING AGENT FEES, TRANSFER AGENT FEES, LEGAL, ACCOUNTING,  
18 FEASIBILITY CONSULTANT AND OTHER PROFESSIONAL FEES AND EXPENSES, CREDIT  
19 ENHANCEMENT FEES, ATTORNEY AND ACCOUNTING FEES AND EXPENSES RELATED TO CREDIT  
20 ENHANCEMENT, BOND INSURANCE OR LIQUIDITY ENHANCEMENT, REMARKETING FEES,  
21 RATING AGENCY FEES AND COSTS, TRAVEL AND TELEPHONE EXPENSES AND ALL OTHER  
22 FEES CONSIDERED NECESSARY BY THE AUTHORITY BOARD IN ORDER TO MARKET AND  
23 ADMINISTER THE BONDS.

24 3. "SPORTS AUTHORITY PURPOSE" INCLUDES:

25 (a) THE CAPITAL COSTS OF ACQUIRING, DESIGNING, DEVELOPING,  
26 CONSTRUCTING, RECONSTRUCTING, EQUIPPING, FURNISHING, REPAIRING, MAINTAINING  
27 AND IMPROVING STADIUMS AND MULTIPURPOSE FACILITIES, DIRECTLY RELATED  
28 IMPROVEMENTS AND INFRASTRUCTURE, EXCEPT AS OTHERWISE LIMITED BY THIS  
29 ARTICLE. FOR THE PURPOSES OF THIS SUBDIVISION, "INFRASTRUCTURE" MEANS  
30 CAPITAL IMPROVEMENTS THAT WILL DIRECTLY AND PRINCIPALLY BENEFIT THE STADIUM  
31 OR MULTIPURPOSE FACILITY AND INCLUDES:

32 (i) SANITARY SEWAGE SYSTEMS.

33 (ii) DRAINAGE AND FLOOD CONTROL SYSTEMS.

34 (iii) WATER SYSTEMS.

35 (iv) ROADWAYS FOR ACCESS, ENTRY AND EXIT AND PARKING FACILITIES.

36 (v) PEDESTRIAN AND OTHER NONMOTORIZED FACILITIES FOR ACCESS, ENTRY AND  
37 EXIT AND PARKING.

38 (vi) LANDSCAPING.

39 (vii) LIGHTING SYSTEMS.

40 (viii) TRAFFIC CONTROL SYSTEMS, SIGNALS, CONTROLS, MARKINGS AND  
41 SIGNAGE.

42 (b) THE PAYMENT OF BONDS.

43 (c) BOND RELATED EXPENSES.

5-1162. Obligation for the bonds

BONDS ISSUED UNDER THIS ARTICLE:

1. ARE PAYABLE ONLY ACCORDING TO THEIR TERMS.

2. ARE OBLIGATIONS OF THE AUTHORITY.

3. ARE NOT GENERAL, SPECIAL OR OTHER OBLIGATIONS OF THIS STATE, OR OF THE COUNTY OR ANY CITY OR TOWN LOCATED IN THE AUTHORITY. THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUTHORITY BOARD AND PERSONS WHO EXECUTE THE BONDS ARE NOT PERSONALLY LIABLE FOR PAYMENT OF THE BONDS.

4. DO NOT CONSTITUTE A DEBT OF THIS STATE OR OF THE COUNTY OR ANY CITY OR TOWN LOCATED IN THE AUTHORITY.

5. ARE NOT ENFORCEABLE AGAINST THIS STATE. PAYMENT OF THE BONDS IS ENFORCEABLE ONLY OUT OF ANY MONIES OR ASSETS OF THE AUTHORITY SPECIFICALLY PLEDGED AND ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS.

5-1163. Authorization of bonds

A. THE AUTHORITY MAY ISSUE BONDS PURSUANT TO THIS ARTICLE IN A PRINCIPAL AMOUNT THAT IS NECESSARY TO:

1. PROVIDE SUFFICIENT MONIES FOR ANY SPORTS AUTHORITY PURPOSES.

2. ESTABLISH AND FULLY OR PARTIALLY FUND ANY REQUIRED RESERVES OR SINKING ACCOUNTS.

3. ISSUE REFUNDING BONDS TO REFUND BONDS ISSUED BY THE AUTHORITY IF THE AUTHORITY BOARD CONSIDERS REFUNDING TO BE EXPEDIENT. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE PROCEEDS OF THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF THE BONDS BEING REFUNDED.

B. THE AUTHORITY BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE RESOLUTION SHALL PRESCRIBE:

1. THE REVENUE SOURCES THAT ARE PLEDGED AND DEDICATED TO SECURE THE BONDS.

2. THE RATE OR RATES OF INTEREST, WHICH MAY BE FIXED OR VARIABLE, THE DATE OR DATES ON WHICH INTEREST IS PAYABLE AND THE DENOMINATIONS OF THE BONDS.

3. THE DATE OR DATES OF THE BONDS AND MATURITY, WHICH SHALL BE WITHIN THIRTY YEARS AFTER THE DATE OF ISSUANCE.

4. THE MANNER OF EXECUTING THE BONDS.

5. THE MEDIUM AND PLACE OF PAYMENT.

6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY REDEMPTION.

5-1164. Issuance and sale of bonds

A. THE AUTHORITY BOARD SHALL ISSUE THE BONDS IN THE NUMBER AND AMOUNT PROVIDED IN THE RESOLUTION. THE AUTHORITY BOARD SHALL PROVIDE NOTICE OF ITS INTENTION TO ISSUE BONDS TO THE DISTRICT BOARD OF DIRECTORS, AND TO THE PUBLIC IN A MANNER CONSISTENT WITH MARKET PRACTICE.

B. THE BONDS MAY BE SOLD BY COMPETITIVE PUBLIC SALE, THROUGH AN ONLINE BIDDING PROCESS OR AT NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING AT THE PRICE AND ON THE TERMS PRESCRIBED IN THE RESOLUTION. FOR THE PURPOSES OF

1 THIS SUBSECTION, "ONLINE BIDDING PROCESS" MEANS A PROCUREMENT PROCESS IN  
2 WHICH THE BOARD RECEIVES BIDS ELECTRONICALLY OVER THE INTERNET IN A  
3 REAL-TIME, COMPETITIVE BIDDING EVENT.

4 C. THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN THE  
5 BOND PROCEEDS ACCOUNT ESTABLISHED PURSUANT TO SECTION 5-1165.

6 D. TITLE 35, CHAPTER 3, ARTICLE 7 APPLIES TO THE AUTHORITY BOARD AND  
7 TO BONDS ISSUED UNDER THIS ARTICLE.

8 5-1165. Bond proceeds account

9 A. IF THE AUTHORITY ISSUES BONDS UNDER THIS ARTICLE, THE AUTHORITY  
10 BOARD SHALL ESTABLISH A BOND PROCEEDS ACCOUNT WITHIN THE GENERAL FUND  
11 CONSISTING OF MONIES RECEIVED FROM THE SALE OF THE BONDS.

12 B. THE AUTHORITY BOARD MAY USE MONIES IN THE BOND PROCEEDS ACCOUNT  
13 ONLY FOR SPORTS AUTHORITY PURPOSES IN THE MANNER PRESCRIBED BY THIS CHAPTER.

14 C. THE AUTHORITY'S FISCAL AGENT SHALL ADMINISTER AND ACCOUNT FOR THE  
15 BOND PROCEEDS ACCOUNT.

16 5-1166. Debt service account

17 A. IF THE AUTHORITY ISSUES BONDS UNDER THIS ARTICLE, THE AUTHORITY  
18 BOARD SHALL ESTABLISH A DEBT SERVICE ACCOUNT WITHIN THE GENERAL FUND  
19 CONSISTING OF MONIES DESIGNATED AND DEDICATED BY THE BOARD FOR REPAYMENT OF  
20 THE BONDS AND PAYMENT OF COSTS AND RELATED EXPENSES ASSOCIATED WITH REDEEMING  
21 THE BONDS.

22 B. MONIES IN THE DEBT SERVICE ACCOUNT MAY BE USED ONLY FOR THE  
23 PURPOSES AUTHORIZED BY THIS ARTICLE.

24 C. THE AUTHORITY'S FISCAL AGENT SHALL ADMINISTER AND ACCOUNT FOR THE  
25 DEBT SERVICE ACCOUNT.

26 5-1167. Securing principal and interest

27 IN CONNECTION WITH ISSUING BONDS AUTHORIZED BY THIS ARTICLE AND TO  
28 SECURE THE PRINCIPAL AND INTEREST ON THE BONDS, THE AUTHORITY BOARD BY  
29 RESOLUTION MAY:

30 1. PLEDGE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS ALL  
31 OR PART OF THE REVENUES AND OTHER MONIES RECEIVED BY THE AUTHORITY AND  
32 DEPOSITED IN THE GENERAL FUND OR ANY ACCOUNT OR SUBACCOUNT OF THE GENERAL  
33 FUND.

34 2. PLEDGE AND ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR  
35 HOLDERS OF THE BONDS ALL OR PART OF THE MONIES IN THE DEBT SERVICE ACCOUNT OR  
36 ANY OTHER ACCOUNT OR SUBACCOUNT AS NECESSARY TO SECURE AND PAY THE PRINCIPAL,  
37 THE INTEREST AND ANY PREMIUM ON THE BONDS AS THEY COME DUE.

38 3. SEGREGATE THE DEBT SERVICE ACCOUNT INTO ONE OR MORE SUBACCOUNTS AND  
39 PROVIDE THAT BONDS ISSUED UNDER THIS ARTICLE MAY BE SECURED BY A LIEN ON ALL  
40 OR PART OF THE MONIES PAID INTO THE DEBT SERVICE ACCOUNT OR INTO ANY  
41 SUBACCOUNT IN THE DEBT SERVICE ACCOUNT.

42 4. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY  
43 THE BOARD.

44 5. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.



1           6. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT  
2 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS  
3 OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

4           7. PROVIDE FOR PAYMENT OF BOND RELATED EXPENSES FROM THE PROCEEDS OF  
5 THE SALE OF THE BONDS OR OTHER REVENUES AVAILABLE TO THE BOARD.

6           8. PROVIDE FOR THE SERVICES OF TRUSTEES, COTRUSTEES, AGENTS AND  
7 CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

8           9. TAKE ANY OTHER ACTION THAT IN ANY WAY MAY ENHANCE THE SECURITY AND  
9 PROTECTION OF THE BONDS OR INTEREST ON THE BONDS.

10           5-1168. Lien of pledge

11           A. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE  
12 TIME WHEN THE PLEDGE IS MADE.

13           B. THE MONIES PLEDGED TO THE HOLDERS OF THE BONDS AND RECEIVED BY THE  
14 AUTHORITY FOR PLACEMENT IN THE DEBT SERVICE ACCOUNT ARE IMMEDIATELY SUBJECT  
15 TO THE LIEN OF THE PLEDGE WITHOUT ANY FURTHER ACT. ANY LIEN OF ANY PLEDGE IS  
16 VALID AND BINDING AGAINST ALL PARTIES WHO HAVE CLAIMS OF ANY KIND AGAINST THE  
17 AUTHORITY, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN. THE  
18 OFFICIAL RESOLUTION OR ANY INSTRUMENT BY WHICH THIS PLEDGE IS CREATED, WHEN  
19 ADOPTED BY THE AUTHORITY BOARD, IS NOTICE TO ALL CONCERNED OF THE CREATION OF  
20 THE PLEDGE, AND THOSE INSTRUMENTS NEED NOT BE RECORDED IN ANY OTHER PLACE TO  
21 PERFECT THE PLEDGE.

22           5-1169. Bond purchase for cancellation

23           THE AUTHORITY BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY  
24 AVAILABLE MONIES, AT A PRICE NOT EXCEEDING THE FOLLOWING:

25           1. IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE  
26 REDEMPTION PRICE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

27           2. IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE, THE  
28 APPLICABLE REDEMPTION PRICE ON THE FIRST DATE AFTER PURCHASE ON WHICH THE  
29 BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

30           5-1170. Payment of bonds

31           A. THE BONDS SHALL BE PAID SOLELY FROM MONIES IN THE DEBT SERVICE  
32 ACCOUNT.

33           B. THE MEMBERS OF THE AUTHORITY BOARD AND ANY PERSONS WHO EXECUTE THE  
34 BONDS ARE NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE BONDS.

35           C. THE AUTHORITY'S FISCAL AGENT SHALL CANCEL ALL BONDS WHEN PAID.

36           5-1171. Use of surplus monies

37           A. IF A BALANCE REMAINS IN THE BOND PROCEEDS ACCOUNT AFTER ALL  
38 ACQUISITION, CONSTRUCTION AND RELATED COSTS HAVE BEEN PAID:

39           1. THE AUTHORITY BOARD SHALL CREDIT THE BALANCE TO REPAY ANY OTHER  
40 OUTSTANDING INDEBTEDNESS OF THE AUTHORITY.

41           2. IF THE AUTHORITY HAS NO OUTSTANDING INDEBTEDNESS, THE BOARD SHALL  
42 CREDIT THE REMAINING BALANCE TO THE AUTHORITY'S GENERAL FUND.

43           B. IF A BALANCE REMAINS IN THE DEBT SERVICE ACCOUNT AFTER PAYMENT OF  
44 ALL BONDS, INTEREST AND OTHER CHARGES RELATED TO BONDS ISSUED UNDER THIS  
45 ARTICLE, THE BOARD SHALL CREDIT THE BALANCE TO THE GENERAL FUND.

1           5-1172. Investment of monies in the bond proceeds account

2           A. THE AUTHORITY BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO  
3 INVEST MONIES IN THE BOND PROCEEDS ACCOUNT IN THE MANNER PRESCRIBED BY  
4 SECTION 5-1174.

5           B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE  
6 PROCEEDS FROM THE SALE OF THE BONDS WILL BE NEEDED FOR USE, AND THE FISCAL  
7 AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO MATURE ON OR BEFORE THE  
8 SPECIFIED DATE.

9           C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE  
10 INVESTMENT OF THE MONIES IN THE BOND PROCEEDS ACCOUNT SHALL BE CREDITED TO  
11 THE BOND PROCEEDS ACCOUNT.

12           5-1173. Investment of monies in the debt service account

13           A. THE AUTHORITY BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO  
14 INVEST AND REINVEST ANY MONIES IN THE DEBT SERVICE ACCOUNT AS PROVIDED BY  
15 SECTION 5-1174.

16           B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE  
17 MONIES AND OTHER RESOURCES IN THE DEBT SERVICE ACCOUNT WILL BE NEEDED FOR  
18 USE, AND THE FISCAL AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO  
19 MATURE ON OR BEFORE THE SPECIFIED DATE.

20           C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE  
21 INVESTMENT OF THE MONIES IN THE DEBT SERVICE ACCOUNT SHALL BE CREDITED TO THE  
22 DISTRICT'S GENERAL FUND.

23           5-1174. Authorized investment of monies

24           A. THE MONIES IN EITHER THE BOND PROCEEDS ACCOUNT OR THE DEBT SERVICE  
25 ACCOUNT MAY BE INVESTED AND REINVESTED AT THE DIRECTION OF THE AUTHORITY  
26 BOARD IN ANY OF THE FOLLOWING:

- 27           1. UNITED STATES TREASURY OBLIGATIONS.  
28           2. CONSOLIDATED FARM LOAN BONDS.  
29           3. OBLIGATIONS ISSUED BY THE FEDERAL INTERMEDIATE CREDIT BANKS OR  
30 BONDS FOR COOPERATIVES ON AUTHORITY OF THE FARM CREDIT ACT OF 1933.  
31           4. ANY OTHER OBLIGATIONS GUARANTEED BY THE UNITED STATES GOVERNMENT.  
32           5. ANY INVESTMENTS THAT ARE AUTHORIZED BY ANY OTHER AGENCIES OF THE  
33 UNITED STATES GOVERNMENT AND THAT ARE AUTHORIZED TO SECURE PUBLIC DEPOSITS.  
34           6. STATE AND LOCAL GOVERNMENT SERIES UNITED STATES TREASURY  
35 SECURITIES.

36           7. STATE, COUNTY OR MUNICIPAL BONDS ISSUED IN THIS STATE AND ON WHICH  
37 THE PAYMENTS OF INTEREST HAVE NOT BEEN DEFERRED.

38           8. INVESTMENT AGREEMENTS AND REPURCHASE AGREEMENTS COLLATERALIZED BY  
39 INVESTMENTS DESCRIBED IN PARAGRAPHS 1 THROUGH 5.

40           B. THE PURCHASE OF THE SECURITIES SHALL BE MADE BY THE AUTHORITY'S  
41 FISCAL AGENT ON AUTHORITY OF A RESOLUTION OF THE AUTHORITY BOARD. THE FISCAL  
42 AGENT SHALL ACT AS CUSTODIAN OF ALL SECURITIES PURCHASED.

43           C. THE AUTHORITY BOARD MAY PLACE ANY RESTRICTIONS ON REINVESTMENT  
44 YIELD ON BOND PROCEEDS OR ON ANY MONIES PLEDGED TO PAY THE BONDS IF NECESSARY

1 TO COMPLY WITH FEDERAL INCOME TAX LAWS AND REGULATIONS TO GAIN ANY FEDERAL  
2 TAX BENEFITS AVAILABLE WITH RESPECT TO THE BONDS.

3 5-1175. Deposit and disbursement of monies

4 A. MONIES DERIVED FROM SELLING BONDS UNDER THIS ARTICLE OR PLEDGED OR  
5 ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS  
6 SHALL BE DEPOSITED BY THE AUTHORITY'S FISCAL AGENT IN FINANCIAL INSTITUTIONS  
7 THAT THE AUTHORITY BOARD DESIGNATES AND THAT ARE INSURED BY AN AGENCY OR  
8 INSTRUMENTALITY OF THE UNITED STATES. THE MONIES SHALL BE DISBURSED AS THE  
9 AUTHORITY BOARD DIRECTS AND ACCORDING TO THE TERMS OF ANY AGREEMENTS WITH THE  
10 HOLDER OR HOLDERS OF THE BONDS.

11 B. THIS SECTION SHALL NOT BE CONSTRUED AS LIMITING THE POWER OF THE  
12 AUTHORITY BOARD TO AGREE IN CONNECTION WITH THE ISSUANCE OF ANY OF ITS BONDS  
13 AS TO THE CUSTODY AND DISPOSITION OF THE MONIES RECEIVED FROM SELLING BONDS  
14 OR FROM THE INCOME AND REVENUES PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE  
15 BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS.

16 5-1176. Characteristics of bonds; negotiability; legal  
17 investments; exemption from taxation

18 A. BONDS ISSUED UNDER THIS ARTICLE ARE FULLY NEGOTIABLE WITHIN THE  
19 MEANING AND FOR ALL PURPOSES OF THE UNIFORM COMMERCIAL CODE, SUBJECT ONLY TO  
20 ANY PROVISIONS FOR REGISTRATION, REGARDLESS OF WHETHER THE BONDS ACTUALLY  
21 CONSTITUTE NEGOTIABLE INSTRUMENTS UNDER THE UNIFORM COMMERCIAL CODE.

22 B. THE BONDS, THEIR TRANSFER AND THE INCOME FROM THE BONDS ARE AT ALL  
23 TIMES FREE FROM TAXATION IN THIS STATE.

24 C. BONDS ISSUED UNDER THIS ARTICLE:

25 1. ARE SECURITIES IN WHICH PUBLIC OFFICERS AND BODIES OF THIS STATE  
26 AND OF MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE, ALL  
27 COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS,  
28 ALL FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING  
29 ON A BANKING BUSINESS, ALL FIDUCIARIES AND ALL OTHER PERSONS WHO ARE  
30 AUTHORIZED TO INVEST IN GOVERNMENT OBLIGATIONS MAY PROPERLY AND LEGALLY  
31 INVEST.

32 2. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES  
33 OF THIS STATE AND MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE FOR  
34 PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR OBLIGATIONS.

35 5-1177. Effect of changing circumstances on bonds; agreement of  
36 state

37 A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING  
38 OBLIGATIONS OF THE AUTHORITY NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE  
39 BONDS ANY PERSON WHOSE SIGNATURE APPEARS ON THE BONDS CEASES TO BE AN OFFICER  
40 OF THE AUTHORITY.

41 B. AN AMENDMENT OF ANY PROVISION IN THIS CHAPTER DOES NOT DIMINISH OR  
42 IMPAIR THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE OR THE REMEDIES AND  
43 RIGHTS OF BONDHOLDERS.

44 C. THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS  
45 AUTHORIZED BY THIS ARTICLE THAT THIS STATE WILL NOT LIMIT, ALTER OR IMPAIR

1 THE RIGHTS VESTED IN THE AUTHORITY TO RECEIVE THE MONIES NECESSARY TO FULFILL  
 2 THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN ANY WAY  
 3 IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED  
 4 UNDER THIS ARTICLE, TOGETHER WITH INTEREST ON THE BONDS, INTEREST ON ANY  
 5 UNPAID INSTALLMENTS OF PRINCIPAL OR INTEREST AND ALL COSTS AND EXPENSES IN  
 6 CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS,  
 7 ARE FULLY MET AND DISCHARGED. THE AUTHORITY BOARD, AS AGENT FOR THIS STATE,  
 8 MAY INCLUDE THIS PLEDGE AND UNDERTAKING IN ITS RESOLUTIONS AND INDENTURES  
 9 AUTHORIZING AND SECURING ITS BONDS.

10 5-1178. Validity of bonds; legal opinion

11 A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND ISSUING  
 12 BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO OTHER LAW WITH  
 13 REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN ANY WAY IMPEDES OR  
 14 RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE MAY BE CONSTRUED TO  
 15 APPLY TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO THIS ARTICLE.

16 B. THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE DOES NOT DEPEND ON  
 17 AND IS NOT AFFECTED BY THE LEGALITY OF ANY PROCEEDING RELATING TO THE  
 18 ACQUISITION, CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF A STADIUM  
 19 OR MULTIPURPOSE FACILITY FOR WHICH THE BONDS ARE ISSUED.

20 C. THE AUTHORITY BOARD MAY SUBMIT ANY BONDS TO BE ISSUED UNDER THIS  
 21 ARTICLE TO LEGAL COUNSEL AFTER ALL PROCEEDINGS FOR AUTHORIZING THE BONDS HAVE  
 22 BEEN COMPLETED. ON SUBMISSION THE COUNSEL SHALL EXAMINE AND PASS ON THE  
 23 VALIDITY OF THE BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF THE  
 24 PROCEEDINGS COMPLY WITH THIS ARTICLE, AND IF THE BONDS WHEN DELIVERED AND  
 25 PAID FOR WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE AUTHORITY, THE  
 26 COUNSEL SHALL CERTIFY ON THE BACK OF EACH BOND, IN SUBSTANCE, THAT IT IS  
 27 ISSUED ACCORDING TO THE CONSTITUTION AND LAWS OF THIS STATE AND THAT THE  
 28 INTEREST ON THE BONDS WILL BE EXEMPT FROM STATE TAXES AS PROVIDED BY LAW.

29 D. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT TO  
 30 THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER SUBSECTION  
 31 C, CONSTITUTES PRIMA FACIE EVIDENCE OF THE LEGALITY AND VALIDITY OF THE  
 32 BONDS. FROM AND AFTER THE SALE AND DELIVERY OF THE BONDS, THEY ARE  
 33 INCONTESTABLE BY THIS STATE OR THE AUTHORITY.

34 Sec. 2. Conditional repeal

35 A. If a majority of the qualified electors voting on the issue in the  
 36 first election held pursuant to section 5-1103, Arizona Revised Statutes, as  
 37 added by this act, reject the levy of taxes and issuance of bonds for the  
 38 purposes of establishing a sports authority district, title 5, chapter 9,  
 39 Arizona Revised Statutes, as added by this act, is repealed.

40 B. The clerk of the board of supervisors that conducts the election  
 41 shall notify in writing the director of legislative council of the results of  
 42 the election and whether the condition described in subsection A of this  
 43 section occurred.

1           Sec. 3. Election

2           A. Except as otherwise provided by this section, the election held  
3 under section 5-1103, Arizona Revised Statutes, as added by this act, shall  
4 be conducted as nearly as practicable in the manner prescribed for general  
5 elections in title 16, Arizona Revised Statutes.

6           B. The county election officer shall account for costs specifically  
7 incurred with respect to the ballot issue under this section. The sports  
8 authority district shall reimburse the county for the costs listed in this  
9 subsection specifically incurred with respect to the ballot issue under this  
10 section from the authority general fund on submission of the bill by the  
11 county election officer. If the electors disapprove the formation of the  
12 sports authority district, the election costs may be reimbursed from private  
13 sources. Costs specifically incurred with respect to the ballot issue under  
14 this section include the following:

15           1. Costs of mailing, publishing, posting and printing ballots,  
16 publicity pamphlets, notices, election materials and other matters concerning  
17 the election.

18           2. Legal and other consulting fees and costs relating to the election.

19           3. Telecommunications costs.

20           4. Compensation of the election board, county election officers and  
21 employees and other labor costs incurred to administer, hold, canvass and  
22 announce the results of the election.

23           5. Any other costs attributable to the election.

24           C. This act does not constitute a submission of any provision of law  
25 to the people for approval under the power of the referendum.